

The Employer's Role in a Disability Retirement

Public Employees' Retirement System • Teachers' Pension and Annuity Fund • Police and Firemen's Retirement System

RECOGNIZE ELIGIBILITY

To determine whether or not a member may be eligible to file for a disability retirement, employers should read the Fact Sheets describing disability requirements (Fact Sheet #15 for PERS and TPAF members or Fact Sheet #16 for PFRS members).

ASSIST IN FILING OF APPLICATION

The disability retirement application can be obtained from the Division of Pensions and Benefits. The application contains several forms which must be distributed among the employee, the employer, the physician, and the hospital for completion. An application is not considered complete and cannot be processed until all these forms have been submitted to the Division. Filing these forms in a timely manner will help to expedite the processing of the application.

The employee should complete the Application for Disability Retirement and return it to the Division of Pensions and Benefits. The employee should also complete the Authorization for Release of Medical Records. If hospitalized for the disability, the employee should give the form to the hospital. The form instructs the hospital to mail the records to the Division of Pensions and Benefits. If there is any charge for these records, it must be paid by the employee. If not hospitalized for the disability, the employee should write "not hospitalized" on the form and submit it with the Application for Disability Retirement. The employee must also give the Medical Examination form to the physician who has been treating the employee for the disability. Finally, the employee should give the employer the Employer Certification for Disability Retirement to complete.

The employer should complete the Employer Certification for Disability Retirement and submit it to the Division. For an Accidental Disability, the employer should submit all accident reports, including daily duty logs and investigative reports related to the accident. If the employee is facing civil, criminal or departmental

charges, a statement of those charges and their disposition should be forwarded as well.

THE PROCESSING OF THE APPLICATION

The Division of Pensions and Benefits will process the applications of all eligible applicants. The application process consists of the following:

- All Accidental Disability applicants are required to undergo an independent examination by a State appointed physician. Ordinary Disability applicants may be required to have such an examination if the medical documentation submitted is not sufficient to make a determination.
- The applicant's file is forwarded to the Division's Medical Review Board which reviews the medical documentation and makes a recommendation to the retirement system's Board of Trustees.
- The Board of Trustees makes a final decision to either approve or deny the application upon consideration of the records and the recommendation of the Medical Review Board. The employee is notified in writing of the Board of Trustees' decision with a copy going to the employer.
- If the application is approved, the Board of Trustees forwards the application to the Retirement Bureau for calculation of the retirement benefit. The member will receive a final quotation of the benefit and payment of the first check.

FILING GUIDELINES

Since the processing of the disability application can take up to six months, it is advisable to file as early as possible to avoid extended periods without income. Employees should file for retirement as of the first of the month following the month they will be off payroll. However, as with all retirements, the effective date cannot be prior to the Division's receipt of the application. The employee can remain on a leave of absence without pay during the processing of the application. The leave

of absence status will maintain the employer/employee relationship during this period for the purpose of death and/or health benefits.

Upon approval by the Board of Trustees, the member will be paid retroactively to the effective retirement date.

EMPLOYEES WHO ARE COVERED BY THE STATE HEALTH BENEFITS PROGRAM

In order to insure that their employees remain eligible for continuation of their health insurance, employers should be aware of the following:

- State Health Benefits Program (SHBP) coverage must continue uninterrupted into retirement. This means that an employee on an approved leave of absence must maintain State Health Benefits Program coverage as an active employee until the effective retirement date. The employer may pay for the cost of the coverage for employees on approved leaves for illness in accordance with SHBP regulations or require the employee to pay the full cost of the premium.
- If the leave of absence extends beyond the eligible coverage continuation period, the member should continue coverage under the provisions of the COBRA law.
- The Health Benefits Bureau will send the employee a letter offering continued State Health Benefits coverage in retirement when the Division begins processing the Application for Disability Retirement. The employee is asked to complete and return a Retired Status Application with payment for the first three months of coverage. If a determination of the disability has not been made by the end of those three months, the employee will be billed for another quarter of coverage.
- If a disability retirement is approved, a member who is entitled to employer-paid or retirement system-paid health insurance will receive a refund of the premiums they paid to the program for coverage after the effective date of retirement.

INVOLUNTARY DISABILITY RETIREMENT

An employer has the right to file a disability retirement application on behalf of an employee who is either unable or unwilling to file the application. Such an application must be accompanied by a resolution from the governing body or appointing authority of the employing agency.

After the Division of Pensions and Benefits receives an involuntary retirement application, the Division will notify the member of the situation and advise the member of the member's right to contest the application. The member has 30 days to contest, in writing, the filing of the application.

The member will be required to undergo an independent examination by a State appointed physician. If the member is found to be totally and permanently disabled, the member will be paid a retirement allowance based on the maximum allowance unless the member submits an application selecting an option. If the member is found to be not totally and permanently disabled, the employer will be informed to return the member to duty.

OTHER IMPORTANT FACTORS

- In extreme situations where the member's condition is terminal and death is imminent, the employer can contact the Division of Pensions and Benefits for assistance in expediting the retirement.
- Members can contact the Division of Pensions and Benefits to request an estimate of the benefits available under a disability retirement.
- Accidental Disability benefits are subject to a dollar for dollar offset while the member is receiving periodic Workers' Compensation benefits. Ordinary Disability benefits are not affected by Workers' Compensation benefits.
- Applicants have the right to appeal any decision made by the Board of Trustees.

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